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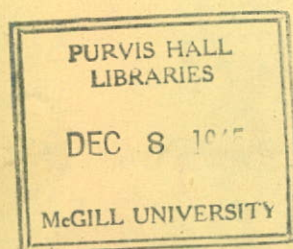
IMPERIAL TOBACCO COMPANY
OF CANADA, LIMITED

MONTREAL, CANADA



THIRTY-THIRD ANNUAL REPORT

FOR THE YEAR ENDED
31st DECEMBER, 1944



IMPERIAL TOBACCO COMPANY OF CANADA, LIMITED



DIRECTORS

GRAY MILLER - - - - - *Chairman*
EARLE SPAFFORD - - - - - *President*

ARTHUR BROWN BRADSHER	}	<i>Vice-Presidents</i>
COL. HENRI DesROSIERS, C.M.G., D.S.O., C.St.J.		
FREDERICK PENTON LOFTUS LANE		
EDWARD CABELL WOOD		

SIR HUGO CUNLIFFE-OWEN, BART.	JOHN TRITES STEEVES
JOHN MATTHEW O'BRIEN	WILLIAM BERNARD TINGLE
LESLIE FREDERICK SKELTON	JOHN HENRY VAN SICKELS

GENERAL COUNSEL

COLVILLE SINCLAIR, K.C.

SECRETARY

ALEXANDER LECKIE ROBERTSON

AUDITORS

DELOITTE, PLENDER, HASKINS & SELLS

REGISTERED OFFICE

3810 ST. ANTOINE STREET, MONTREAL, CANADA

IMPERIAL TOBACCO COMPANY OF CANADA, LIMITED

THIRTY-THIRD ANNUAL REPORT OF THE BOARD OF DIRECTORS TO THE SHAREHOLDERS For the Year ended 31st December, 1944

The Directors herewith submit their Report for the year ended 31st December, 1944, together with the Audited Balance Sheet.

During the year dividends amounting to 6 per cent were paid upon the Preference Shares of the Company and four Interim Dividends totalling 40 cents per share were paid on the Ordinary Shares.

The net profits for the year after deducting all charges and expenses for management and providing for Income War Tax and Excess Profits Tax, were		\$5,749,987.54
Less: Income War Tax and Excess Profits Tax Adjustment, 1943.....		13,075.94
		5,736,911.60
<i>Deduct:</i>		
Dividends 6% per annum on Preference Shares for nine months to 30th September, 1944.....	\$ 361,350.00	
Provision for Preference Dividend for the three months ended 31st December, 1944.....	120,450.00	481,800.00
		5,255,111.60
<i>Add:</i>		
Amount brought forward per last Balance Sheet.....	\$5,775,595.19	
		4,357,940.39
Less: Final Dividend on Ordinary Shares of fifteen cents per Share for year ended 31st December, 1943, paid 31st March, 1944.....	1,417,654.80	
		\$9,613,051.99
<i>Deduct:</i>		
Dividends totalling 40 cents per share on Ordinary Shares.....		3,780,412.80
		5,832,639.19
<i>Deduct:</i>		
Transferred to General Reserve.....		2,000,000.00
		\$3,832,639.19
Leaving available balance of.....		

out of which the Directors have declared a Final Dividend on Ordinary Shares of fifteen cents per share payable 31st March, 1945, amounting to \$1,417,654.80, leaving \$2,414,984.39 to be carried forward.

The net profits above mentioned do not include the Company's proportion of the undivided profits of the Subsidiary and Associated Companies which such Companies have not thought fit to declare as dividends.

Capital Surplus amounting to \$101,579.40 has been applied to Discount on Funded Debt.

In pursuance of the By-Laws, Messrs. Gray Miller, Arthur Brown Bradsher, Col. Henri DesRosiers, C.M.G., D.S.O., C.St.J., Sir Hugo Cunliffe-Owen, Bart., John Matthew O'Brien and John Trites Steeves retire from the Board at the Annual General Meeting and offer themselves for re-election.

Messrs. Deloitte, Plender, Haskins & Sells, the Auditors, also retire, and offer themselves for re-appointment.

On behalf of the Board.

EARLE SPAFFORD, } *Directors.*
F. P. L. LANE, }
A. L. ROBERTSON, *Secretary.*

Montreal, 15th February, 1945.

IMPERIAL TOBACCO COMPANY

BALANCE SHEET 31st DECEMBER 1944

ASSETS

1943

Cash in Banks.....	\$ 5,309,472.07	\$2,415,126.73
Dominion Government Securities (Market Value, \$7,072,320.19).....	7,070,296.50	1,358,774.87
Sundry Debtors.....	484,757.04	324,496.35
Stock in Trade (at cost) and Advances for Leaf Purchases.....	16,875,895.47	22,213,022.89
	<u>29,740,421.08</u>	<u>26,311,420.84</u>
Investments in Subsidiary Companies (at cost or under)		
Shares.....	\$ 5,968,364.12	
Advances largely of a capital or fixed nature.....	<u>20,111,731.10</u>	
	26,080,095.22	27,220,143.70
Shares in other Companies.....	62,703.00	61,203.00
Refundable portion of Excess Profits Tax.....	638,654.43	460,885.79
Real Estate and Buildings (at cost).....	2,210,409.35	2,210,409.35
Plant, Machinery, Furniture and Fittings (at cost).....	4,121,424.24	3,974,067.55
Prepaid Taxes, Insurance, etc.....	33,750.26	47,774.08
Discount on Funded Debt, less amount written off.....		161,516.90
Goodwill, Trade Marks and Patents.....	28,816,800.96	28,816,800.96
	<u>\$ 91,704,258.54</u>	<u>\$89,264,222.12</u>

TO THE SHAREHOLDERS,
IMPERIAL TOBACCO COMPANY OF CANADA, LIMITED:

We have examined the above Balance Sheet dated 31st December, 1944, with the Books of the Company and have obtained correct view of the state of the Company's affairs according to the best of our information and the explanations given to us, and as shown by

Pursuant to Section 114 of The Dominion Companies Act, 1934, we report that the profits of the Company for the year ended to the holdings of the Imperial Tobacco Company of Canada, Limited.

We also report that the total dividends received from Subsidiary Companies during the year are not in excess of the aggregate

231 ST. JAMES STREET,
MONTREAL, 15th February, 1945.

ANY OF CANADA, LIMITED

st DECEMBER, 1944

LIABILITIES

1943

Due Subsidiary Companies.....	\$ 865,975.32	\$ 161,581.42
Sundry Creditors.....	2,222,669.92	2,189,527.46
Provision for Taxes (including Excise Tax).....	6,444,388.40	5,022,788.38
	<u>9,533,033.64</u>	<u>7,373,897.26</u>
Employees' Benevolent Fund.....	1,368,146.49	1,368,146.49
Reserve for Buildings, Machinery, etc.....	5,926,174.79	5,778,507.99
Funded Debt - Authorized and Issued:		
Serial Sinking Fund Debentures bearing interest from 3¼% to 3½% and maturing \$2,000,000.00 annually from 1952 to 1956.....	10,000,000.00	10,000,000.00
Capital Authorized:		
Cumulative 6% Preference Shares		
1,999,995 Shares of \$4.86⅔ each.....	\$ 9,733,309.00	
Ordinary Shares		
10,800,000 of \$5 each.....	54,000,000.00	
	<u>\$ 63,733,309.00</u>	
Capital Issued:		
Cumulative 6% Preference Shares		
1,650,000 Shares of \$4.86⅔ each.....	\$ 8,030,000.00	
Ordinary Shares		
9,451,032 of \$5 each.....	47,255,160.00	
	<u>55,285,160.00</u>	55,285,160.00
Capital Surplus.....		101,579.40
General Reserve.....	5,000,000.00	3,000,000.00
Accrued Dividend on Preference Shares.....	120,450.00	120,450.00
Deferred Surplus—Refundable portion of Excess Profits Tax.....	638,654.43	460,885.79
Profit and Loss Account (Earned Surplus)		
Balance as per Statement herewith.....	3,832,639.19	5,775,595.19
	<u>\$ 91,704,258.54</u>	<u>\$89,264,222.12</u>

Approved on Behalf of the Board:

EARLE SPAFFORD, } Directors.
F. P. L. LANE, }
A. L. ROBERTSON, Secretary.

all the information and explanations we have required. In our opinion the Balance Sheet is properly drawn up so as to exhibit a true and the Books of the Company.

31st December, 1944, include the profits of the Subsidiary Companies to the extent of dividends declared by such Companies and applicable of the Company's proportion of its Subsidiary Companies' profits for the same period as shown by the accounts of the Subsidiary Companies.

(SIGNED) DELOITTE, PLENDER, HASKINS & SELLS,

Auditors.

IMPERIAL TOBACCO COMPANY

PROFIT AND LOSS ACCOUNT FOR THE YEAR

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		1943
To Interest on Funded Debt	\$ 335,005.96	\$ 279,166.64
" Discount on Funded Debt	59,937.50	13,483.10
" Provision for Income War Tax and Excess Profits Tax (of which the refundable portion of Excess Profits Tax amounts to \$175,153.46)	3,751,084.13	3,935,823.31
" Net Profit for the year carried down.....	5,749,987.54	5,722,092.61
	<u>\$ 9,896,015.13</u>	<u>\$ 9,950,565.66</u>
To Income War Tax and Excess Profits Tax—(Adjustment, 1943) . . .	\$ 13,075.94	\$
" Dividends:		
On 6% Preference Shares:		
For the year ended 31st December, 1944	\$ 481,800.00	481,800.00
On Ordinary Shares:		
Final dividend of 15 cents for the year ended 31st December, 1943.	1,417,654.80	1,417,654.80
Four interim dividends of 10 cents each for the year ended 31st December, 1944 . .	3,780,412.80	3,780,412.80
	<u>5,679,867.60</u>	<u>5,679,867.60</u>
" Transferred to General Reserve	2,000,000.00	
" Balance (Earned Surplus) as per Balance Sheet	3,832,639.19	5,775,595.19
	<u>\$11,525,582.73</u>	<u>\$11,455,462.79</u>

ANY OF CANADA, LIMITED

YEAR ENDED 31st DECEMBER, 1944

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1943

By **Operating Profit**, after deducting all Charges and Expenses for Management (remuneration to all Executive Officers and Salaried Directors including amounts paid into the Superannuation Fund—\$307,459.68, Legal Expense—\$10,352.59) but before providing for Income War Tax and Excess Profits Tax..... \$ 8,474,415.23 \$ 8,565,294.17

“ **Income from Investments**..... 1,421,599.90 1,385,271.49

NOTE:—The charge against Operating Profit in respect of depreciation, amounted to \$111,495.29.

\$ 9,896,015.13 \$ 9,950,565.66

By **Balance as at 1st January, 1944**..... \$ 5,775,595.19 \$ 5,702,306.94

“ **Income War Tax and Excess Profits Tax**—(Adjustment 1942)..... 31,063.24

“ **Net Profit for the year brought down**..... 5,749,987.54 5,722,092.61

\$11,525,582.73 \$11,455,462.79

